

ALG Minutes Jan 31

Present: Bart Wendell, facilitator; Lauren Rosenzweig Morton, Mike Gowing BoS; John Petersen, Xuan Kong, SC; Mary Ann Ashton, FC; Steve Mills, Don Aicardi, Steve Ledoux & John Murray, staff. Absent; Bill Mullin, FC.

Audience: Marie Altieri, school staff, Clint Seward, FC; Ruth Kohls, LWV; Paul Huff & Bob Ingram, AVG

Minutes of Jan 13th were accepted

Budget Revenue Update FY 11& 12

Steve L: there has been no indication of 9c cuts. Excise tax bills will be due in Feb where approximately 80% of that revenue will come in. The snow & ice budget was all spent up by the last storm. In the past, they tried to cover the deficit from the operational budget before the close of the FY. "The situation does not look good" based on the weather forecasts.

For FTY 12 House I has a 10% cut in local aid & level Ch 70---going by the ALG plan it is a positive \$1.6m swing.

Mills: Aton, unlike other districts has tried to protect services—but there have been serious cuts. I do like the Governor's statement to increase Ch 70 ; we've downsized the IT dept: have not replaced an asst. superintendent. We've spent \$1m less than budgeted—have not spent the all the stimulus money; holding off on Ed Jobs money. The vote on the regional budget is next Thursday. The report to the SC gave the following options: A. Judicial spending to keep level service B buy needed technology & text books C. let the money flow back into E&D & free cash D. combination. Mills said that if he knew last September what he now knows, he would have spent the ARRA money on the textbooks & technology. In some cases our assumptions have been too conservative---we have a lot of needs—especially in personnel---our class sizes are far too large.

Bart: what about the revenue side?

Lauren: we need to have more discussions. Last year the town shifted \$96k to the schools & now the town is faced with a snow & ice deficit; there are critical positions we have not filled

Bart: I have a sense that ALG was put together out of desperation because we could not talk together. Things can “blow up “ here or outside---it’s far better that it happens here rather than “back stage” You all need to decide & be very clear as to what you want & need

John I think we’re talking about the spreadsheet--**#3 on the agenda**

Don went through the changes in the spreadsheets; on the revenue side the \$500k in new growth has been lowered to \$75k; revenues that are directed solely to the library & school on the recap sheets have been removed; school choice revenue is removed making a \$299k drop in available revenues; Minuteman assessment (\$288k) HIT correction \$104k positive

Basically there is a \$2m deficit for FY 12

MA: last year the FC asked that the use of reserves be kept to \$2m---it was in the ALG plan. We now see that \$3.28m was used

Don: the actions of Town Meeting---contracts, the purchase of the Caouette land (\$753,190) the use of \$808K from NESWC & \$748 from E&D makes the total \$3,278k

J. Petersen: the contracts were not discussed at ALG & were outside the model.

J. Murray; we must go back to Town Meeting to vote on the contracts & cannot take the money from operations but must use that set aside for the contracts. Once the contracts are settled, the money comes from the operating budget

JP: ALG sheet is a model not a plan—it is one of the tools for budget planning; the ALG plan is at least \$1.5m in error for revenues. The issue is to use these numbers as a gut feeling to get to the budgets---it would be a happy case to look at the Town budget as providing needed services at a reasonable total.

Mike: it's tool , much as a speedometer---we have to be in the same realm—as to the State numbers we really don't have a clue---I think it's pushing it a bit to say we have a big error. All we're talking about is the use of reserves---we don't have any “extra”

Lauren: We need to focus on the budgets---I think both are sound —efforts need to keep them at level service & honoring past agreements where everyone is covered for what they need.

JM On the comparison sheet—above the \$2m we need another \$2.1m to balance the use levels or do cuts—House I has \$330k gift or cut. We are already saving from HIT@ \$70k so the amount drops to \$260k

J P: the rates for the HIT last year were too high—I think we will vote to lower the increase to 8%

MA: I think we have done well in the past with our projections. But House I is the first budget to come out---it still needs to go through the House & then the Senate---it could change a lot. There is still a structural state deficit.

I would like to use the Governor's budget less 5%

JP: agree & disagree. We have been way too conservative and have left money unused where that have been real needs that are unmet---we need to state that our unmet needs will require \$2.5m in reserves

Mike: we can put a “stick in the ground” at \$2.5m The town also has capital needs if we use all the reserves in two years we will not have any left.

MA: the FC feels very strongly that the \$2m is the limit for reserve use. We had that limit last year but in fact spent \$3.278m---there are still contracts to be settled and we have the snow & ice...we need to be conservative

Bart: I am hearing a strong push-back on the \$2.5m

Xuan: I have been listening but I need to be an advocate for the schools---the Sc will have to make the ultimate choice---we cannot allow the children to have 20

year-old text books. I know the FC said \$2m but if the SC really needs the money (\$200K) we do not want to be held to a precise number

Bart: I'm hearing between \$2 & \$2.5m range for the reserve use—is that before the close of Town Meeting---before the payment for the deficit in the snow & Ice?

JM: what about the reserves of AARA & EdJobs?

Lauren this money was meant to plug holes in the schools budget---so they don't need to use as many tax dollars

Bart: can someone suggest a proposal for agreement?

Mary Ann: my proposal: Steve Mills saves the Ed Jobs for FY 13--& it does not appear on the ALG spreadsheet this year BUT does appear as reserves for FY 13

Steve M: If I knew this I would have spent the ARRA money last fall. I don't want to see pain on the town side—feel quite strongly that 5% is a \$970k problem (HIT needs to be scrubbed---as do others. What I see as constituting local revenues is the Cherry sheet—Ch 70 Ed Jobs id for FY 13 & is a one-time revenue

Mike: when you use Ed Jobs money you free up other cash

Bart: do we have an agreement to include a proposal for Ed Jobs & AARA?

Don: there's no AARA pot

JM: some want the capacity generated by AARA should be in reserves, others say capacity should not

Bart reminded that one ALG could not tie the hands of the next year.

There was concern on the Town side that there would be level service on one side & level service plus on the other.

It was agreed that Ed Jobs money would be shown as revenue for FY 13

Mary Ann: let's assume from the governor's budget 5% off; ---that will give the sc a better chance to decide which numbers to use; with HIT at 5%

There was a general consensus that there needs to be better scrubbing of the numbers & the info that was now in hand did now allow that---reducing the budgets to stay within the \$2m use of reserves will mean cutbacks. There was also a recognition that each entity would need to make priority lists and as the revenues become clearer, items will be added to the operations or eliminated.

Mary Ann: asked that three year plan be added to the agenda

Bart said he could not make the next scheduled meeting.

The next date will be decided by email.

Adjourned 9:15

Ann Chang